



Informational

Bulletin

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This bulletin is written to inform you of recent changes; it does not replace statutes, rules and regulations, or court decisions.

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Information for Charitable Games Organizations, Providers, and Suppliers

To all charitable games licensees and applicants

Public Act 98-0337 made changes to the Charitable Games Act. This bulletin provides a brief description of the changes.

How will the new law change licenses issued to conduct charitable games?

Beginning with licenses issued for January 2014 and after, there are two changes to charitable games licenses issued to qualified organizations.

- **Term/Licensure period** — Each license to conduct charitable games shall be in effect for two years (previously one year) from its date of issuance unless extended, suspended, or revoked.
- **Cost** — Organizations conducting charitable games are required to pay a \$400 licensing fee for the two-year licensure period due with the application or renewal (previously \$200 for an annual license). This licensing fee is nonrefundable.

What limits are imposed on persons participating in the management or operation of a charitable games event?

Persons participating in the management or operation of charitable games events may not participate in more than 12 charitable games events conducted by any licensee in one calendar year (previously four).

What are the new limits on the number of charitable games events that may be conducted at any given location?

Providers other than a municipality — A provider other than a municipality may not provide the same premises for conducting more than one charitable games night per month (previously eight per year).

Municipalities holding a provider's license — A municipality may provide the same premises for conducting 48 charitable games nights during a 12-month period (previously 16).

What is the new limit for a single bet?

No single bet may exceed \$20 (previously \$10).



What are the changes to the requirements for chips, scrip, or play money used at these events?

The chips, scrip, or play money used at a charitable games event must now be permanently monogrammed with either

- the charitable games supplier's license number or logo, **or**
- the organization's charitable games license number or logo.

What are the limitations for cash prizes?

Upon completion of play, a participant may not redeem his or her chips, scrip, or play money in exchange for prizes exceeding \$500 in cash winnings (previously \$250).

As a provider am I allowed to keep my video gaming machines available during charitable games events?

Licensed charitable games providers offering premises at which video gaming terminals licensed under the Video Gaming Act are present may operate them along with charitable games.

Will this law change Form RCG-18, Charitable Games Tax Return and Report?

The basis and rate of tax have changed. A tax of 5 percent (.05) is imposed on the **net** proceeds of charitable games. The tax calculation was previously 3 percent of the **gross** proceeds.

What are net proceeds?

Net proceeds means all money received from the sale of chips, scrip, or play money, plus any fee or donation charged for admission or entry into the event, minus all money paid out to participants to redeem chips, scrip, or play money at the conclusion of the event or when the participant leaves.